

Message Text

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ACTION EB-07

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TO SECSTATE WASH DC 5714

C O N F I D E N T I A L SECTION 01 OF 03 OECD PARIS 05561

EXCON

E.O. 11652 XGDS1

TAGS: ESTC, COCOM

SUBJECT: COCOM LIST REVIEW: IL 1080/1086 - TURBINE BLADE
MACHINERY AND JET ENGINE MACHINERY

REFS: A. STATE 42328

B COCOM DOC REV (74) 1080/2, 1086/2

SUMMARY: MOST DELEGATIONS HAD NOT BEEN ABLE TO STUDY THE REVISED US PROPOSAL, CIRCULATED IN ENGLISH ONLY ON FEB. 26. THE SPECIALLY DESIGNED ASPECT WAS DISCUSSED EXTENSIVELY TO ESTABLISH ITS FULL MEANING IN THE CONTEXT OF THE ITEMS AND THE IDENTIFICATION OF THE EQUIPMENT VIA SPECIFICATIONS FOR DETERMINING THE SPECIALLY DESIGNED FEATURES. THERE WAS CONCERN ABOUT COMBINING 1086 INTO 1080, AND THEREBY INCREASING COVERAGE OVER THE FORMER ITEM THROUGH THE PHRASE "...INCLUDING BUT NOT LIMITED TO...." THEREBY MAKING THE PRESENT 1086 SPECIFIC LISTING AND ILLUSTRATIVE LISTING. USDEL THEREUPON AGREED TO REVERT TO PRESENT ITEM SEPARATION, AMENDING US PROPOSAL APPROPRIATELY. ON 1080, THERE WAS CONCERN EXPRESSED PRIMARILY BY THE UK ABOUT REINSTATING COVERAGE AGREED FOR DELETION IN ROUND I. THIS WAS PARTIALLY OFFSET BY THE US WITHDRAWAL OF SOME OF THE ORIGINALLY PROPOSED ADDITIONS. ITALY TOOK GENERAL AD REF POSITION, CANADA WAS WITH MAJORITY, AND ALL OTHER DELEGATIONS RE-

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SERVED. IL 1086 WAS AGREED WITH THE DELETION OF PRE-

SENT SUBITEM (A). ACTION REQUESTED: FURTHER DETAILS ON SUBITEMS PROPOSED FOR ADDITION TO IL 1080. END SUMMARY.

1. THE US EXPLAINED THAT THE CHANGES IN THE ROUND II PROPOSAL RESULTED FROM A MORE EXTENSIVE SURVEY OF THESE EQUIPMENT AREAS WITH MAIN FRAME AND GAS TURBINE ENGINE MANUFACTURERS. WE FELT THAT THE SIMILARITIES OF 1080 AND 1086 WARRANTED COMBINING THEM. OUR SURVEY HAD EMPHASIZED CONSIDERATION BY INDUSTRY OF THE TERM "SPECIALLY DESIGNED" AS CONTRASTED WITH OFF-THE-SHELF AVAILABILITY. IT WAS INDICATED THAT SPECIFICATIONS OF EQUIPMENT PROPOSED FOR ADD-ON WERE NOT AVAILABLE DUE TO PROPRIETARY NATURE OF EQUIPMENT.

2. THE NETHERLANDS QUESTIONED COMBINING THE TWO ITEMS, BECAUSE THIS WOULD EXTEND COVERAGE IN THE 1086 AREA DUE TO THE PHRASE "INCLUDING BUT NOT LIMITED TO". THEY PREFERRED A CLEAR-CUT DEFINITION AS OPPOSED TO AN ILLUSTRATIVE LIST. THIS VIEW WAS SHARED BY JAPAN, FRANCE, AND THE UK. US STATED THAT THEY HAD USED THE PRESENT WORDING OF THE HEADING IN 1080 BUT WERE NOT BOUND TO COMBINING THE TWO ITEMS AND AGREED TO THE PRESENT SEPARATE ITEM FORMAT.

3. THE UK STATED THAT IT WAS A DIFFICULT SITUATION TO REVERSE ROUND I AGREEMENT ON DELETIONS. THEY INSISTED THAT EQUIPMENT SPECIFICATIONS, WHICH THEY HAD REQUESTED IN ROUND I, WERE NECESSARY TO MAKE A JUDGEMENT ON THE SPECIALLY DESIGNED NATURE OF THE EQUIPMENT. THEY DID NOT FEEL THAT THEY SHOULD BE ASKED TO AGREE TO THE INCLUSION OF EQUIPMENT ON THE LIST WITHOUT KNOWING WHAT THE EQUIPMENT WAS.

4. THE US POINTED OUT THAT DURING THE INDUSTRY SURVEY THEY HAD FOUND THAT EQUIPMENT USED BY ONE PRODUCER WOULD BE UNIQUE AND SPECIALLY DESIGNED WHILE ANOTHER PRODUCER MIGHT USE STANDARD EQUIPMENT. THIS DIFFERENCE IS BASED UPON THE PRODUCTION TECHNIQUES USED BY INDIVIDUAL COMPANIES. THIS IS THE REASON FOR CHANGING THE ORIGINAL PROPOSAL. SECONDLY, THE ADDITIONS WERE SPECIALLY DE-

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SIGNED IN THE CONTEXT OF MODIFYING STANDARD EQUIPMENT TO PERFORM SPECIAL JOBS THROUGH REDESIGN, TOOLING, OR FIXTURING. THE TOOLING, FIXTURING, OR REDESIGN ASPECTS WERE HIGHLY PROPRIETARY. THE PROPRIETARY NATURE OF THE EQUIPMENT PREVENTED THE US FROM SUBMITTING DETAILED EQUIPMENT SPECIFICATIONS BECAUSE THE COMPANIES WOULD NOT DIVULGE THIS INFORMATION EVEN TO THE GOVERNMENT. THE US DEFINED "PROPRIETARY" AS THAT KIND OF INFORMATION

WHICH IS COMPANY PRIVATE AND IS PROTECTED FOR COMPETI-

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C O N F I D E N T I A L SECTION 02 OF 03 OECD PARIS 05561

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TIVE AND ECONOMIC REASONS. THE UK AGREED WITH THIS DE-
FINITION.

5. UNDER THE CIRCUMSTANCES, THE UK WANTED TO KNOW HOW
THE US OR OTHERS WOULD DETERMINE THAT THE EQUIPMENT
NEEDS TO BE EMBARGOED; HOW DOES ONE KNOW THAT THE BLOC
DOES NOT HAVE SUCH EQUIPMENT OR CANNOT PRODUCE IT? THE
US REPLIED THAT THE UNIQUE DESIGN OF THE EQUIPMENT
COULD BE DETERMINED BY THE COMPANY AND WOULD BE REFLECT-
ED IN THE END USE SHOULD THE COMPANY CHOOSE TO EXPORT
SUCH EQUIPMENT. THE UK REMAINED UNMOVED IN ITS REQUEST
FOR EQUIPMENT SPECIFICATIONS.

6. THE FRENCH QUESTIONED THE ADDITION OF INVESTMENT
CASTING EQUIPMENT, CITING ITS EQUIVALENCE TO THE VERY
OLD LOST WAX TECHNIQUE. THE US AGREED IN PRINCIPLE TO
THE AGE OF THE PROCESS, BUT POINTED OUT THE REFINEMENTS
NECESSARY TO PRODUCE CORES AND OTHER FIXTURES WHEN AP-
PLIED TO PRODUCING TURBINE BLADES. ADDITIONALLY, THE
ILLUSTRATIVE NATURE OF 1080 AUTOMATICALLY COVERS THIS
AND OTHER EMERGING TECHNIQUES AND EQUIPMENT. THUS,
THERE IS NO RADICAL CHANGE IN COVERAGE.

7. IN THE DISCUSSION OF 1080 ALONE, THE UK STATED THAT IT DID NOT SEE THE POINT OF EMBARGOING SPECIALLY DESIGNED EQUIPMENT, IF STANDARD MACHINES CAN DO THE JOB. US RE-CONFIDENTIAL

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PLIED THAT SPECIALLY DESIGNED MACHINES ACCOMMODATE A PARTICULAR COMPANY'S NEEDS BY DOING THE JOB BETTER, FASTER, AND MORE ECONOMICALLY THAN A STANDARD MACHINE. UK STATED THAT ECONOMIC ASPECTS ARE NOT A CRITERION FOR EMBARGO.

8. JAPAN FELT THAT THE SOU INTENSIFIES THE EMBARGO. THE US REPLIED THAT THE SOU IS RELEVANT TO SPECIAL TOOLING, FIXTURES, AND PROCESS TECHNOLOGY THAT MAKE A WHOLE SYSTEM IMPORTANT. IT WOULD NOT MAKE SENSE TO EMBARGO THE SPECIALIZED EQUIPMENT WITHOUT COVERING THE TECHNOLOGY.

9. THE NETHERLANDS WERE NOT CONVINCED, SINCE THIS IS A PROBLEM OF DEFINING BY END USE. THEY ALSO WOULD LIKE TO SEE EQUIPMENT SPECIFICATIONS.

10. FRANCE WAS CONCERNED ABOUT POSSIBLE COVERAGE OF ULTRASONIC TEST EQUIPMENT, PARTICULARLY SINCE IT HAS A NUMBER OF USES OUTSIDE THE TURBINE BLADE AND ENGINE MANUFACTURING AREAS. US REPLIED THAT THIS EQUIPMENT WAS NOT BEING PROPOSED AS AN ADDITION TO THE ILLUSTRATIVE LIST, BUT THAT PURSUANT TO THE HEADING OF THE DEFINITION, IF IT WERE SPECIALLY DESIGNED IT WOULD BE EMBARGOED. ADDITIONALLY IT WAS STATED THAT IT WAS SPECIALLY DESIGNED TOOLING AND FIXTURES THAT CAUSE SUCH MEASURING EQUIPMENT TO BE COVERED. FRANCE WAS NOT CONVINCED BECAUSE THE SAME EQUIPMENT COULD BE USED TO TEST GAS TURBINE BLADES OR STEAM TURBINE BLADES.

11. UK CONTINUED PRESSURE FOR EQUIPMENT SPECIFICATIONS, ARGUING THAT THESE WOULD BE REQUIRED FOR EXCEPTIONS REQUESTS. US COUNTERED THAT SUFFICIENT DETAILS WOULD BE SUBMITTED SHOULD A CASE ARISE. THERE WAS DOUBT THAT COMPANIES WOULD PROVIDE SUCH INFORMATION AT THE PRESENT TIME. UK REPEATED THAT UNTIL SUCH INFORMATION WAS ACQUIRED THEY COULD NOT MAKE A JUDGEMENT AND WOULD CONTINUE IN RESERVE.

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12. CHAIRMAN NOTED AGREEMENT HAD NOT YET BEEN REACHED ON REDEFINITION OF IL 1080. ON IL 1086, USDEL CONFIRMED AGREEMENT TO DELETION OF SUB-ITEM (A) AND WITHDRAWAL OF PROPOSAL TO ADD SUB-ITEMS (D) AND (E). IN LINE WITH REFTEL INSTRUCTIONS, HOWEVER, USDEL NOTED HE COULD NOT NOW AGREE TO DELETION OF SUB-ITEM (B) IN LIGHT OF NEW INFORMATION DEVELOPED DURING USG SURVEY OF AIRCRAFT MANUFACTURERS. THIS CONTINUATION OF SUB-ITEM (B) POSED PROBLEMS TO THE UK AND THEY REFERRED TO STATEMENTS IN ROUND I REGARDING THE USE OF N/C EQUIPMENT. THE US STATED THAT THEIR REEVALUATION SHOWED SOME USE OF N/C EQUIPMENT BUT NOT BY ALL PRODUCERS. CHAIRMAN RULED THAT THERE WAS UNANIMOUS AGREEMENT TO DELETE SUBITEM (A) OF IL 1086 AND ITEM WAS CLOSED.

13. USDEL/WASHINGTON TEAM COMMENT: WHILE IT APPEARS THAT IF WE ARE TO ACHIEVE THE DESIRED ADD-ONS TO THE ILLUSTRATIVE LIST IN IL 1080 WE MUST PROVIDE OTHER DELS, PARTICULARLY UK, WITH ADDITIONAL SUPPORTING INFORMATION, WE HAVE URGED UK TO SATISFY THEIR DOUBTS BY APPROACHING THEIR OWN AIRCRAFT ENGINE PRODUCERS TO VERIFY THE PROPRIETARY NATURE OF THE EQUIPMENT USED IN SPECIALIZED AND/OR CUSTOMIZED APPLICATION. ON THE OTHER HAND WE MAY FIND IT POLITIC TO WITHDRAW THIS PORTION OF THE PROPOSAL, LETTING THE ITEM STAND SUBSTANTIALLY AS IT IS SINCE SUCH

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EQUIPMENT IS CONTROLLED UNDER PRESENT HEADING, WHETHER OR

NOT LISTED.

14. ACTION REQUESTED: TO THE EXTENT THAT INTERESTED
AGENCIES WISH TO PRESS FOR ACCEPTANCE OF OUR ADD-ONS,
TRANSMITTAL OF ADDITIONAL TECHNICAL INFORMATION ON THE
MACHINES PROPOSED FOR ADDITION.
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